



Climate Progress Update 2022

BRUNSWICK

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Welcome



The conversation and impact of climate change is accelerating. New examples emerge on a daily basis that provide evidence of the impact of climate change in our local environments, and we are seeing the near constant upscaling of legislative and regulatory frameworks to change behaviours and lift accountability.

Brunswick continues to work across the increasingly complex and intersecting arenas of finance, politics, and society and through this are committed to being part of the solution, dedicated to both reducing our own carbon emissions, and to providing leading advice, to support our clients to do the same.

In this, our second Climate Progress Update, we provide an overview of the progress we are making on our journey to reaching our climate-related objectives, encompassing short, medium, and long-term goals.

We are pleased to report measurable progress across our operations, especially in Scope 3 emissions. Despite our expanding workforce and the resurgence of post-pandemic travel, we've managed to keep our emissions per Full-Time Equivalent (FTE) in line with our objectives and below pre-pandemic levels, surpassing our interim targets.

We continue to develop our climate-related advisory capabilities and to actively engage and partner with our clients to support their objectives. Through innovative solutions and guidance, we can help our clients to achieve their climate goals, and to navigate the complexities of the evolving climate landscape.

34.9%

reduction
in Scope 3

60%

of our largest clients
are committed to
science-based targets
or the Race to Zero

“

We are pleased to report measurable progress across our operations, especially in Scope 3 emissions.”

Rob Pinker
GEC Chair

“

We continue to develop our climate-related advisory capabilities and to actively engage and partner with our clients to support their objectives.”

Our commitment

Brunswick is dedicated to the global goals of achieving net zero emissions and limiting the rise in temperatures to 1.5°C.

We have made four public commitments which guide our climate work:

- To the United Nations backed Race to Zero campaign.
- To four near and interim term targets, approved by the Science Based Targets Initiative (SBTi) to achieve emissions reductions aligned with 1.5°C.
- To evolve to the SBTi's net zero standard
- To keep developing our advisory capabilities through our Climate Hub and launch of Brunswick's Climate Academy to increase the climate fluency of our team.

Our progress

In 2022 we:

- Worked with the Carbon Trust to **model and assess Brunswick's emissions reductions** aligned with the transition to net zero.
- **Reduced our absolute emissions and emissions** per full-time employee in line with our targets.
- Embedded **new internal processes** and enhanced dialogue with suppliers to cut emissions.
- **Engaged more deeply with clients on climate related issues**, further developing our centre of climate excellence to help clients to move from target setting to robust climate transition implementation plans.
- **Continued to act as advisors** to the UN Climate Change High Level Champions and the Race to Zero campaign.

About this climate update

This report provides an update on our progress from our base year in 2019, through two years of reduced activity during the COVID19 pandemic in 2020 and 2021, to a more "normalised" 12 months to December 2022. At the time of writing, our data for 2021 and 2022 is still being verified by the Carbon Trust, which also verified our data for 2019 and 2020.

With the regulatory framework continuing to drive improvements to best practice, the process is taking longer to finalise, but the numbers are substantially complete, and we are pleased to be able to demonstrate the progress we have made as a firm since the time of our base year in 2019. This report also fulfils our promise to provide more detail on how we approach climate through our operations and our advisory capabilities. As our work continues to evolve as we manage and embed our transition plans, so will our reporting.

Useful links

- [Science Based Targets initiative \(SBTi\)](#)
- [Race to Zero](#)
- [Business Ambition for 1.5°C](#)
- [UN Climate Change High Level Champions](#)

Governance

Our climate plans are determined, and our actions monitored, at the highest levels of the firm.

Accountability and implementation

Board

Ultimate accountability rests with the Board, headed by Sir Alan Parker, Brunswick's Chairman. The Executive Committee, chaired by Neal Wolin, the CEO, makes and monitors the most important day-to-day decisions for the firm, including on climate.

Group Committee

The Group Environmental Committee works closely with the Group Committee, chaired by the CEO, and the Operating Committee, chaired by the COO, which are engaged in all large strategic and operational projects that impact the firm.

Group Environmental Committee

The Group Environmental Committee (GEC), chaired by our Chair of Emerging Markets, Rob Pinker, and sponsored by our Group Chief Operating Officer, Helen James, is responsible for the day-to-day measuring and managing of the firm's carbon footprint. It is tasked with driving progress against short and medium-term carbon reduction targets through a number of key workstreams, as well as working on the implementation of a suitable Net Zero transition plan.

Regional Managing Partners

Regional Managing Partners and office heads are also directly involved in making progress towards implementing the firm's climate strategy.

Group Environmental Committee Working Groups

- Scope 1 and Scope 2 emissions
- Scope 3 intensity emissions
- Data collection
- Procurement and request for proposal
- Transition to SBTi net zero standard
- Progress reporting

Governance (continued)

Climate risk and opportunity management

The Audit and Risk Committee, chaired by our Chief Financial Officer, Andrew Fenwick, reports directly to the Board and manages Brunswick's comprehensive risk register. The register is updated quarterly, and more frequently if required. It now includes climate specific risks related to our own impact, and our advice to clients.

1. Identification of climate risks and opportunities:

- **Stakeholder Engagement:** We regularly engage with clients, employees, and industry experts to gather insights and perspectives on climate-related risks and opportunities.

2. Monitoring climate risks and opportunities:

- **Continuous monitoring:** The GEC has established systems for ongoing monitoring of climate-related developments, these include news alerts and regular reviews of industry reports. Issues are discussed during monthly GEC meetings and raised to the Audit and Risk Committee and Group Com as appropriate.
- **Client feedback:** We are increasingly embedding climate into our Client Review process, with interview partners encouraged to regularly solicit feedback from clients on their perceptions and expectations regarding related issues.
- **Employee training and awareness:** Our office managers have been engaging building managers, where possible, to quantify and measure our emissions as well as ensure colleagues are aware of sustainable practices, including recycling. Next year, a firm priority will be to ensure that employees are trained and aware of climate-related risks and opportunities that could impact the company and its clients through our Climate Academy.

3. Emissions reduction and supporting action:

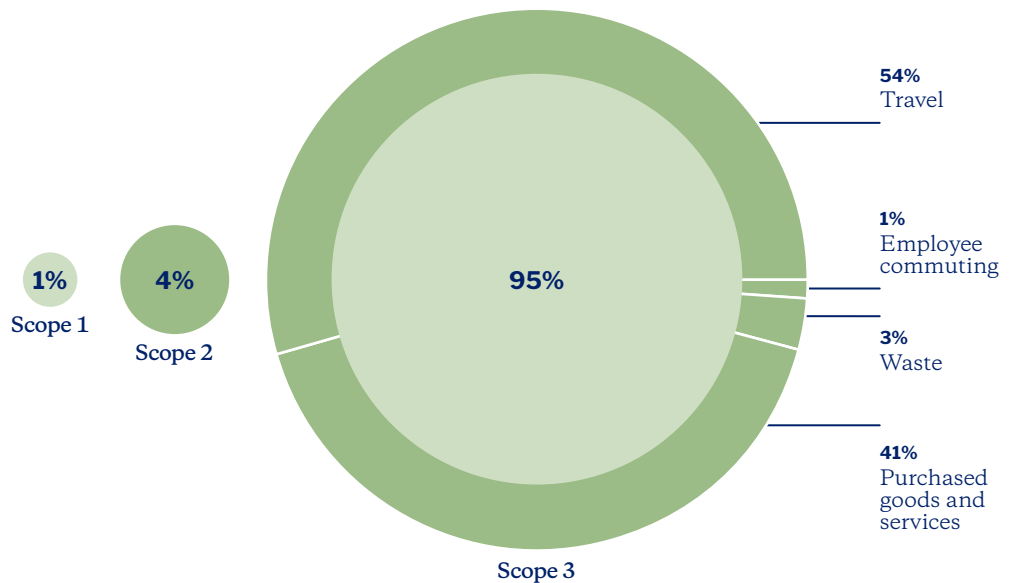
- **Implementing sustainable practices:** Across our global locations, we have adopted energy and waste-saving office practices and promote sustainability internally and among clients.
- **Client advice and support:** Leveraging the company's expertise in communication to advocate for climate awareness and action, both internally and for clients.
- **Regular review and adjustment:** Continuously reviewing the effectiveness of these strategies and adjusting as necessary.

Our approach

Like most in the advisory sector, our Scope 1 and Scope 2 emissions, those we emit directly or indirectly, are a small percentage compared to the Scope 3 emissions, those outside of our direct operations.

As a firm focused on critical issues, the biggest impact we have is the advice we give and the clients we serve.

Our carbon footprint



This is reflected in our approach to climate, which focuses on two broad categories. First, cutting our own operational emissions. Second, helping our clients succeed in the net zero economy.

As the firm grows, we will need to keep adjusting our plans and supporting programmes to continue to keep our commitments and meet our targets. We are currently finalizing our next step – mapping our path to Net Zero and beyond.

Our commitment on Net Zero has two parts

1

Cutting our own emissions

- SBTi approved short and medium term 1.5 aligned targets against Carbon Trust assured footprint baseline
- Shift to net zero SBTi standard and related targets

2

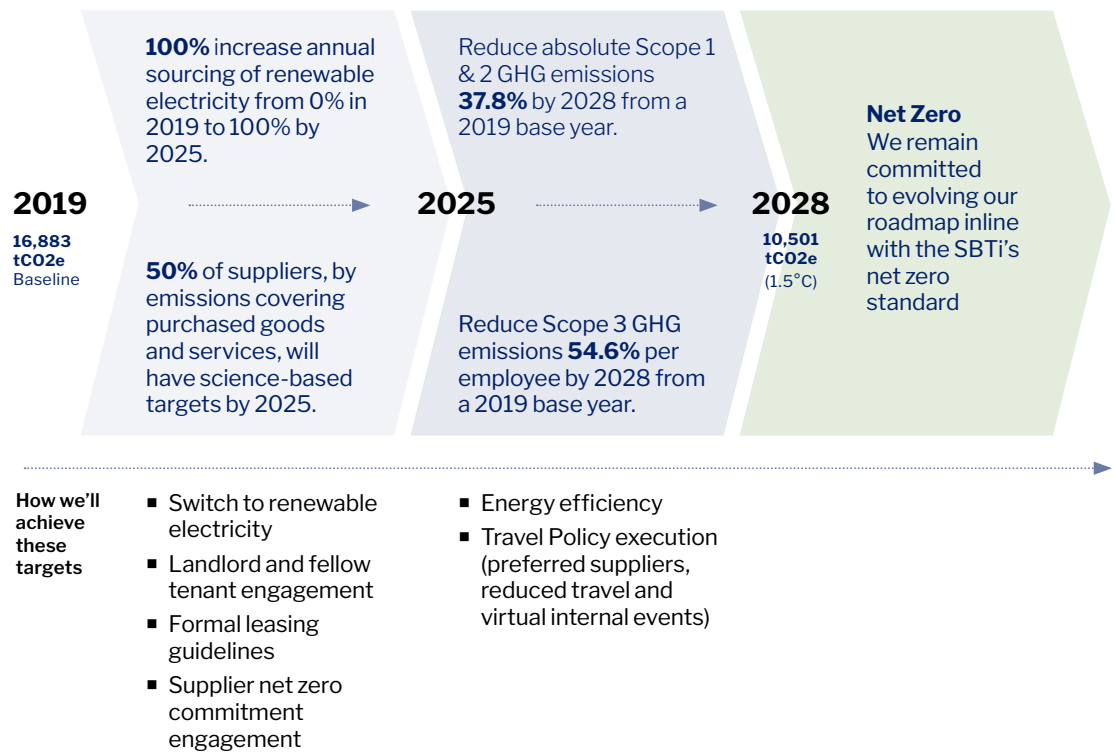
Helping our clients play a successful role in the net zero economy, through:

- World-class Climate hub
- Raising climate fluency across the firm
- Determining robust guiding principles for advising clients on climate-related issues

← Advocacy and partnership that supports our commitments →

Our SBTi approved 1.5° aligned roadmap

To achieve a 1.5°C aligned emissions reduction in accordance with the Science Based Targets Initiative (SBTi). We have committed to cutting our overall emissions by 45% between 2019, our base reporting year, and 2028. We have also set SBTi approved short and medium-term milestone targets to help us achieve this commitment.



Progress against our 2025 1.5°C SBTi targets

2025

TARGET:

100%

of electricity from
renewable sources by 2025.

PROGRESS:

55%

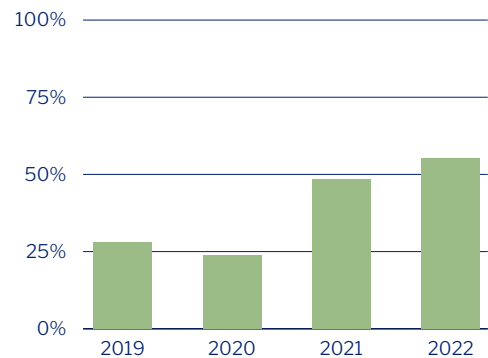
of our electricity came from
renewable sources in 2022

Our progress in 2022

- London, our biggest office by headcount, became 100% renewable.
- Our New York and San Francisco offices confirmed they will be 100% renewable by 2025.
- We completed an inventory of our energy mix in offices, to ensure robust planning.
- We embedded training and tools with office managers to enhance data gathering and engagement with landlords & suppliers.

However, the majority of our offices are shared spaces, that we do not directly manage or are in regions with infrastructure limitations and this makes the switch more challenging. We have integrated our commitment to renewable energy into our formal guidelines for leasing new office space and are working with our office managers, landlords and fellow tenants globally to drive progress in shared office spaces. We continue to re-address our approach to ensure progress towards our targets.

% of electricity from renewable sources



Our office managers have also been reviewing which of our offices have sustainable building credentials. Several, including Chicago, New York, San Francisco, Washington, and Dubai are LEED (Leadership in Energy and Environmental Design) certified. This certification supports our aim of reducing the environmental impact within our network. In different regions and offices alternate sustainable building credentials are in use. Where possible, we will work with landlords to encourage this further.

Progress against our 2025 1.5°C SBTi targets

2025

TARGET:

50%

of suppliers by emissions to have SBTi targets by 2025.

PROGRESS:

30%

of suppliers by emissions have SBTi targets as of FY 2022.¹

Our progress in 2022

- We conducted a trial supplier survey in the US to begin engagement with vendors in one of our largest markets. This trial allowed us to test whether responses would be valuable in helping us to collect accurate data and with setting out a robust plan, understanding which suppliers we may need to work most closely with as we work towards achieving our net zero target.
- 44% of emissions are related to Air Transportation services – we will therefore focus on this group as we further engage with our suppliers on their SBTi targets. Brunswick are beginning the process of a trial period with an alternative travel agent that is in the process of validating their SBTi targets.
- To achieve our 50% target, we are working to better understand and support our suppliers' climate commitments. We are also drafting a Supplier Code of Conduct laying out our supplier specific SBTi aligned expectations, which we plan to share with our existing and potential suppliers. We are providing more guidance to those making finance and procurement decisions and enhancing our systems to keep better track of the climate credentials of our existing and potential suppliers.

¹ 47% of our suppliers' emissions are not SBTi committed, with a further 23% still being verified. This progress data has been gathered through our pilot survey in the US as well as our own independent verification of the SBTi commitment status of our suppliers globally. Due to the limitations of data collection and analysis there remains some uncertainty, further data analysis continues.

Progress against our 2028 1.5°C SBTi targets

2028

TARGET:

38.8%

reduction in absolute Scope 1 & 2 emissions by 2028.

PROGRESS:

23%

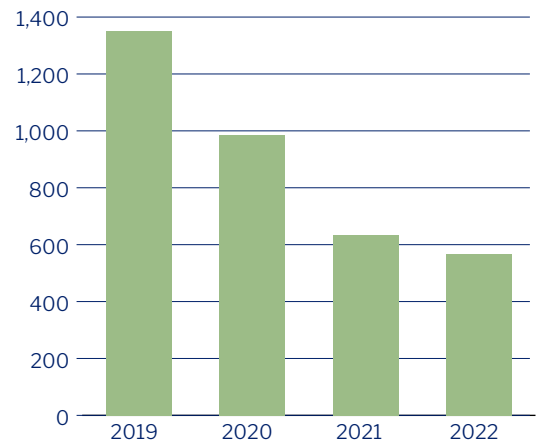
reduction in absolute Scope 1 & 2 emissions in 2022.

Our progress in 2022

- Completed an inventory of energy use in our offices.
- Worked with office managers to better understand the sources of our scope 1 emissions and outlined steps to minimize or eliminate them.
- Created toolkits for office managers on energy reduction opportunities and levers.

Our scope 1 and 2 emissions reduction has been driven by our efforts to switch to renewable energy suppliers and through our ongoing activities to ensure efficient energy use. We continue to look for ways to be more efficient in how we use energy and to share good practice across the firm. This includes leveraging office moves, renovations and expansions to implement energy efficient practices including LED lights, sensors and timers. We are also working with our office managers and landlords to enhance the quality of data we received on scope 1 emissions and scope 2 efficiency.

Our Scope 1 and 2 emissions, Thousands tCO₂e (market based)



Progress against our 2028 1.5°C SBTi targets

2028

TARGET:

54.6%

reduction in Scope 3 emissions
per Full Time Employee by 2028.

PROGRESS:

34.9%

reduction in Scope 3 emissions
per FTE in 2022

Our progress in 2022

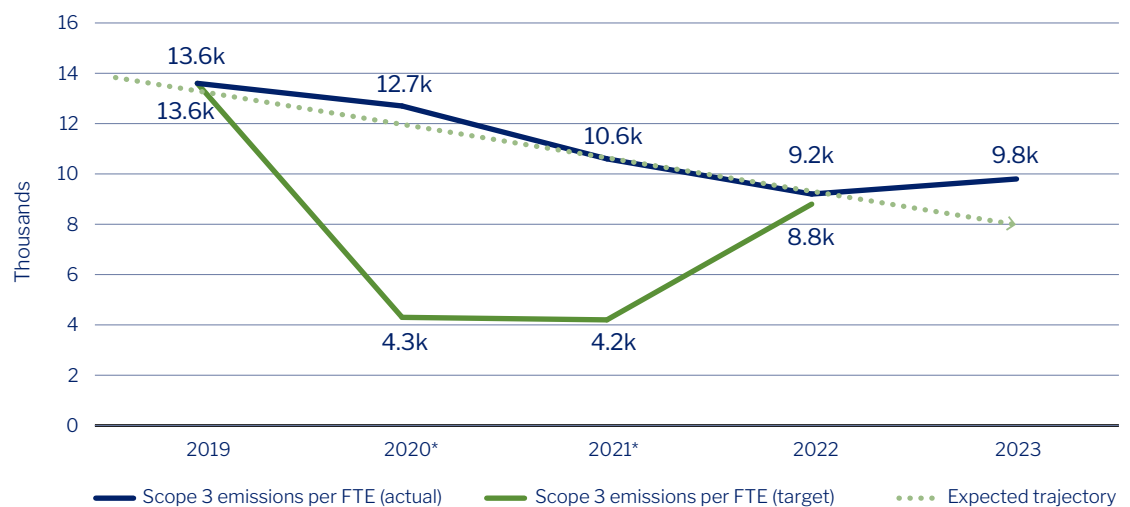
- Embedded a greater emphasis on economy class travel
- Engaged office managers on our emissions reduction ambitions and travel policy.
- Key meetings and onboarding done in hybrid physical/virtual format to reduce travel.

Our most significant Scope 3 impact, by far, is linked to business travel, notably the emissions from air travel. Since the end of the pandemic, travel has increased as we get back to seeing our clients and colleagues in person. Due to a new set

of policies and processes, focused on ensuring a more sustainable approach, our emissions per full-time employee remain below pre-pandemic levels and we are on-track and surpassing our interim targets.

We have made a major shift to more economy class travel, which creates fewer emissions per passenger; are encouraging longer, less frequent trips, and using a hybrid in-person/virtual approach to large internal meetings and onboarding.

Scope 3 emissions per full time employee (FTE) – target vs actual



*2020 and 2021 were anomaly years due to the impact of the global pandemic. The increase from 2021 to 2022 therefore represents a return to a more normal environment and is not indicative of an underlying longer term trend.

Progress against our 2028 1.5°C SBTi targets

2028

TARGET:

54.6%

reduction in Scope 3 emissions per Full Time Employee by 2028.

PROGRESS:

34.9%

reduction in Scope 3 emissions per FTE in 2022

A more embedded approach to travel will allow us to gather better data and ensure we have options and suppliers which advance us to our emissions target. We are considering alternative travel agents to support in this effort.

We continue to explore further levers to help us stay on track.

Looking at our travel more broadly, as part of ongoing improvements in data capture, we relaunched our employee commuting survey in 2022. We did this with the aim of better understanding the key trends and levers to enhance the accuracy of our data and drive further efficiencies in this space. We will be repeating this survey annually.

Our carbon emissions performance

| | 2019 | 2020 | 2021 | 2022 |
|----------------------------|------------|------------|------------|------------|
| Scope 1 | 144,371 | 139,068 | 21,546 | 31,066 |
| Scope 2 (market based) | 1,207,562 | 845,574 | 611,953 | 533,567 |
| Scope 1 & 2 (market based) | 1,351,933 | 984,642 | 801,738 | 564,633 |
| Scope 3 | 15,356,681 | 4,962,171 | 5,705,834 | 12,329,761 |
| Total gross | 16,708,614 | 5,946,813 | 6,507,573 | 12,894,394 |
| Scope 3 FTE | 13,590 | 5,191 | 4,730 | 9,248 |
| Energy usage (SECR) | 2.501 mkWh | 2.272 mkWh | 2.109 mkWh | 2.215 mkWh |

Advising clients on the path to net zero

As a professional advisory firm, our net zero commitment means both reducing our operational footprint and making a positive contribution through the advice and support we provide to clients.

This year we have focused on deepening our impact and determining an approach to ensure the advice we provide clients on climate-related issues is consistent with the need to achieve net zero and 1.5°C and the urgency of actions that can contribute to halving global emissions this decade.

World-class advice: Brunswick Climate Hub

The universal threat of climate change and the economic opportunities from the transition makes it highly relevant to our work with clients across all geographies and sectors. That is why Brunswick has built the Climate Hub: a world-class advisory capability to help clients make sense of what is happening in the external world, how to engage with fast-moving critical stakeholder expectations and how they want to show up on climate-related issues to be credible and successful. This year we have placed particular focus on advising business leaders on how to progress from setting climate targets to shaping and then delivering on credible transition plans that drive down emissions this decade and support their long-term success.

Firmwide approach: Consistent with our commitment

Businesses have a significant role to play in the economy-wide transition to Net Zero. We want to advise them on the actions required to build credibility through their transition and help them engage stakeholders critical to their success as a business and to achieving the goals of the Paris Agreement. We believe it is important to engage with and support companies in the most complex sectors to decarbonise, because of their considerable potential to contribute to the transition. We have spent 2023 developing an approach that will be operationalised in 2024 to help guide colleagues to provide advice to clients on climate-related issues that is consistent with our commitment to helping the world achieve net zero and limit warming to 1.5°C. Drawing inspiration from credible third party frameworks, this approach sets out practices to promote, for example, firmwide understanding of credible targets and transition plans, the strongest global standards to tackle greenwash, and advice to clients on Paris

Agreement-aligned public policy. This is a fast-moving and dynamic set of issues, so we will keep our guidance to colleagues under regular review.

Raising climate fluency: Unique climate training

Our focus now will be to embed our approach within the firm. To do that we are creating a unique climate training program, designed specifically to equip colleagues across the world with the necessary fluency in climate-related issues that is relevant for their own advice to clients.

Client momentum towards the net zero economy

A growing proportion of our clients have either committed to set science-based targets or already have approved targets through the SBTi, in line with our recommendations for gold standard corporate climate commitments. Our analysis shows approximately 60% of our largest clients by company size are committed to science-based targets or the Race to Zero today, increasing in absolute terms by 15% as we grew our client base. We have also seen an encouraging positive trends among our wider corporate clients across sectors and geographies. While the numbers may vary as our client base evolves, we expect this trajectory to continue during the mid-term and we want to help by supporting more clients to develop and implement their own net zero transition plans to build confidence in their strategic contribute and resilience to and through the net zero transition.

Supporting the Race to Zero campaign

Brunswick has worked with the UN Climate Change High-Level Champions for COP25, COP26, COP27 and now COP28, supporting the Race to Zero campaign, the launch of the 2030 Breakthroughs and the Sharm El Sheikh Adaptation Agenda to mobilise climate action. This partnership has enabled Brunswick Group to help build momentum for corporate climate action.

Looking ahead



It has been an unprecedented year for climate-related disasters, reinforcing our resolve to support global endeavours aimed at limiting temperature rise to a critical 1.5°C. While we acknowledge the considerable challenges ahead, we remain committed to evolving our existing plans and targets to support the achievement of our net zero goal.

Through the firm's Climate Hub, Brunswick is elevating our client work on climate-change related issues, making our advice consistent with SBTi's 1.5°C requirements and supporting companies in some of the most complex sectors on robust transition planning and critical stakeholder engagement. As a next step we are

operationalising our expertise and embedding it into our sector work, to use it as the basis to further raise the floor on climate fluency throughout the firm with the development of the climate academy.

Identifying where we are falling short is the priority as we enter this next phase. We know that our work will not stop when we reach the targets laid out in this report. There will be further goals and targets to come, taking us beyond net zero to play our part in ensuring the long-term health of the planet. We look forward to doing all we can as a firm and supporting our clients in their efforts.

Our commitment to addressing climate change is underpinned by the dedicated efforts of the Group Environmental Committee, who are working hard across various workstreams to make progress against our targets.

I would like to extend my gratitude to every member of the Committee on behalf of our firm. Your invaluable contributions and unwavering support in our ongoing efforts to reduce our carbon footprint are deeply appreciated and instrumental in driving meaningful change.

“

While we acknowledge the considerable challenges ahead, we remain committed to evolving our existing plans and targets to support the achievement of our overarching net zero goal.”

Helen James
Group Chief Operating Officer



BRUNSWICK